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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Work First Casualty Company
<b>TOI/Sub-TOI:</b>	16.0 Workers Compensation/16.0004 Standard WC		
<b>Product Name:</b>	DC New Lg Ded FORM		
<b>Project Name/Number:</b>	/		

## Filing at a Glance

Company:	Work First Casualty Company
Product Name:	DC New Lg Ded FORM
State:	District of Columbia
TOI:	16.0 Workers Compensation
Sub-TOI:	16.0004 Standard WC
Filing Type:	Form
Date Submitted:	01/09/2020
SERFF Tr Num:	WKFC-132216480
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	DC NEW LG DED FORM
Effective Date	03/01/2020
Requested (New):	
Effective Date	03/01/2020
Requested (Renewal):	
Author(s):	Stephanie Korab
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

**State:** District of Columbia **Filing Company:** Work First Casualty Company  
**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC  
**Product Name:** DC New Lg Ded FORM  
**Project Name/Number:** /

## General Information

Project Name: Status of Filing in Domicile: Not Filed  
Project Number: Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 01/09/2020  
State Status Changed: Deemer Date:  
Created By: Stephanie Korab Submitted By: Stephanie Korab  
Corresponding Filing Tracking Number:

### Filing Description:

Work First Casualty Company is filing to modify its large deductible program with deductibles at \$100,000 or higher. This change will better align the methodology with their fronting company, Benchmark Insurance Company ("BIC"), when the policies are written directly on Work First's paper. We are requesting a 3/1/2020 effective date for this program.

## Company and Contact

### Filing Contact Information

Stephanie Korab, VP-Compliance Officer skorab@workfirstcasualty.com  
and Assistant Secretary  
3521 Silverside Road 302-477-1710 [Phone]  
Quillen Building, Suite 2E 302-477-1753 [FAX]  
Wilmington, DE 19810

### Filing Company Information

Work First Casualty Company	CoCode: 31232	State of Domicile: Delaware
501 Silverside Road	Group Code:	Company Type: P & C
Suite 39	Group Name:	State ID Number:
Wilmington, DE 19809	FEIN Number: 90-0247256	
(302) 477-1710 ext.		
4771710[Phone]		

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Work First Casualty Company
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## Correspondence Summary

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Follow Up	Note To Reviewer	Stephanie Korab	01/31/2020	01/31/2020

## Note To Reviewer

Thank you, Stephanie

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## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Loss Reimbursement Large Deductible Endorsement	WC 99 06 03	09/19	END	New			DC WC 99 06 03.pdf

### Form Type Legend:

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions
<b>ERS</b>	Election/Rejection/Supplemental Applications	<b>OTH</b>	Other

**LOSS REIMBURSEMENT LARGE DEDUCTIBLE ENDORSEMENT**  
**"ALLOCATED LOSS ADJUSTMENT EXPENSE"**  
**INCLUDED IN THE DEDUCTIBLE AMOUNT**

In consideration of the Estimated Deductible Premium, we agree with you that:

1. This agreement is between you and us. It does not change the rights of others under this policy.
2. We will pay and you will reimburse us for:

All sums which you become legally obligated to pay as benefits under Part One – Workers Compensation Insurance of this policy or as damages under Part Two – Employers Liability Insurance of this policy or which we pay as "Allocated Loss Adjustment Expenses" to defend any claim, proceeding or suit against you for benefits or damages under this insurance up to the amount of the deductible as shown below:

- (a) A "Deductible Per Accident" (excluding "Terrorism Losses") of \$ \_\_\_\_\_ applies on a combined basis for indemnity and medical benefits, damages, and "Allocated Loss Adjustment Expenses" because of bodily injury arising out of any one accident, or
  - (b) A "Deductible Per Employee" (excluding "Terrorism Losses") of \$ \_\_\_\_\_ applies on a combined basis for indemnity and medical benefits, damages, and "Allocated Loss Adjustment Expenses" because of bodily injury by disease to any one employee.
  - (c) The "Deductible Aggregate" (excluding "Terrorism Losses") shall be the greater of \$ \_\_\_\_\_ or \_\_\_\_\_ % of Standard Premium.
3. We shall provide investigation, administration, adjustment and settlement services, and shall provide for the defense of claims or "suits".
  4. Under Part Two - Employers Liability Insurance, the terms of this policy, including those with respect to (a) our right and duty with respect to the defense of suits and (b) your duties in the event of an injury, apply irrespective of the application of any deductible amount. The applicable limits of liability shall include the amount of the deductible.
  5. Regarding combined entities, only entities which are combined under NCCI's experience rating plan can be combined under this program.
  6. Collateral is a mandatory requirement for this Plan. Failure to meet collateral requirements may result in cancellation of the policy. Cancellation for failure to meet collateral requirements will be treated the same as non-payment of premium.
  7. When used in this endorsement:

"Allocated Loss Adjustment Expense" shall mean claim adjustment expense directly allocated by us to a particular claim. Such expense shall include:

    - a. Fees of attorneys or other authorized representatives where permitted for legal services, whether by outside vendors or staff representatives.

- b. Court, Alternate Dispute Resolution, and other specific items of expense such as:
  - (i) Medical examinations of a claimant to determine the extent of the carrier's liability, degree of permanency, or length of disability
  - (ii) Expert medical or other testimony
  - (iii) Autopsy
  - (iv) Witnesses and summonses
  - (v) Copies of documents such as birth and death certificates, and medical treatment records
  - (vi) Arbitration fees
  - (vii) Surveillance
  - (viii) Appeal bond costs and appeal filing fees
- c. Medical cost containment expenses incurred with respect to a particular claim, whether by an outside vendor or done internally by a staff representative for the purpose of controlling losses, to ensure that only reasonable and necessary costs of services are paid. The expenses include:
  - (i) Bill-auditing expenses for any medical or vocational services rendered, including hospital bills (inpatient or outpatient), nursing home bills, physician bills, chiropractic bills, medical equipment charges, pharmacy charges, physical therapy bills, and medical or vocational rehabilitation vendor bills
  - (ii) Hospital and other treatment utilization reviews, including precertification/preadmission, and concurrent or retrospective reviews
  - (iii) Preferred provider network/organization expenses
  - (iv) Medical fee review panel expenses
- d. Expenses that are not defined as losses and are directly related to and directly allocated to the handling of a particular claim for services that are required to be performed by statute or regulation.

"Deductible Aggregate" shall mean the maximum amount of deductible payments reimbursed by you to us on a combined basis for indemnity and medical benefits, damages, and "Allocated Loss Adjustment Expenses" because of bodily injury by accident and bodily injury by disease for each policy period. This definition does not change, modify or alter the policy limits for Employers Liability Insurance.

The "Deductible Aggregate" will not be reduced if:

- a. this endorsement is issued for a term of less than one (1) year; or
- b. the policy is cancelled for any reason by you. If the policy is cancelled for any reason by us before the end of the policy period, the aggregate deductible amount shall be reduced, pro rata based on the time the policy was in force.

"Deductible Per Accident" shall mean the amount applying on a combined basis for indemnity and medical benefits, damages, and "Allocated Loss Adjustment Expenses" because of bodily injury arising out of any one accident to which this insurance applies and which you have a duty to pay under this policy.

"Deductible Per Employee" shall mean the amount applying on a combined basis for indemnity and medical benefits, damages, and "Allocated Loss Adjustment Expenses" because of bodily injury by disease to any one employee to which this insurance applies and which you have a duty to pay under this policy.

"NCCI" shall mean National Council on Compensation Insurance, Inc.

"Terrorism Losses" shall refer to the definitions as provided in the terrorism endorsement attached to this policy.

#### **8. Recovery From Others**

We have your rights and the rights of persons entitled to the benefits of this insurance to recover all advances and payments, including those within the deductible amount, from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover will first be applied to any payments made by us in excess of the deductible amount; only then will the remainder of that recovery, if any, be applied to reduce the deductible amount paid or reimbursed or reimbursable by you.

#### **9. Your Duties**

- a. The first Named Insured shown in the Information Page agrees and is authorized to pay all deductible amounts on behalf of all Named Insureds and to reimburse us for any such amounts that we advance.
- b. Each Named Insured is jointly and severally liable for all deductible amounts under this policy.

#### **10. Other Rights and Duties (Ours and Yours)**

All other terms of this policy, including those which govern (a) our right and duty to defend any claim, proceeding or suit against you, and (b) your duties if injury occurs, apply irrespective of application of this deductible endorsement.

11. All terms, conditions, and limitations of this policy not inconsistent with this endorsement continue to apply.



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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Readability Certificate
<b>Comments:</b>	Noted
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	N/A - company is making filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Copy of Trust Agreement
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Expedited SERFF Filing Transmittal Form
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Filing memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	LD Filing Memorandum NCCI ELPPF.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

WORK FIRST CASUALTY COMPANY  
WORKERS COMPENSATION PROGRAM  
DEDUCTIBLE PROGRAM

Filing Memorandum

Work First Casualty Company is filing to modify its large deductible program with deductibles at \$100,000 or higher. This change will better align the methodology with their fronting company, Benchmark Insurance Company ("BIC"), when the policies are written directly on Work First's paper.

*Method used in Calculation of Deductible Premium*

The filed method will match BIC methodology, and will also be consistent with the majority of the industry. Previously, WF calculated and applied large deductible credits factors to the ground up premium directly. The new methodology will build up the premium beginning with the excess losses (those retained by Work First). This method uses an excess loss and allocated expense factor, fixed expenses, and variable expenses to calculate the deductible premium using the following formula:

Deductible Premium = [ (Expected Excess Losses + Fixed Expense Charge) / (1 – Variable Expense Ratio) ] + TRIPRA

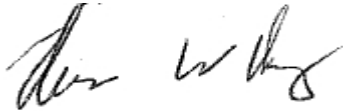
*Source of Excess Loss and Allocated Expense Factors (ELF, or ELAEF)*

The Excess Loss and Allocated Expense Factors are calculated from the published NCCI Excess Loss and Allocated Expense Pure Premium Factors, adjusted for expenses. They are shown on page RR2 of the Company's filing.

*Selection of Expenses (found on page RR3)*

The fixed expense charge, in general, covers general expenses, other acquisition expenses, and nonreimbursed loss adjustment expenses (ULAE or AOE). The variable expense ratio provides for a provision for commission and variable taxes and assessments. The Company's expense history, in addition to state-specific tax and assessment data, were used to estimate the fixed and variable expenses.

I have reviewed the assumptions underlying the company's deductible premium calculations (described in more detail in filing). The assumptions are reasonable and will produce premium that is not inadequate, excessive, nor unfairly discriminatory.



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Thomas Vasey, FCAS, MAAA  
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Peachtree Corners, GA 30092  
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November 12, 2019